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Sol. G. O. H. M. G. M.

Variety Says USIA Aided Newsreel

NEW YORK, May 7 (AP)—The U.S. Information Agency provided a secret "sizable" subsidy for the newsreel production of Metro News, the weekly edition of the newsreel distributed overseas by Metro-Goldwyn-Mayer, according to Variety, the show business trade paper.

In its edition today, Variety said, "America's last surviving theatrical newsreel suddenly died on Jan. 1, 1968, because a secret subsidy by the U.S. Government terminated."

It said the money, "sizable enough to keep newsreel production a break-even proposition for many years after the market for them eroded," was channeled through the USIA under the code name "Kingfish."

The story said the USIA made no attempt to influence domestic editions of the newsreel, but had an "adviser" at the New York headquarters of Hearst Metrotone News, producers of the newsreels.

"This sometimes meant insertion of material not shot by Hearst Metrotone and not used in domestic editions of the newsreel," Variety said.

It cited one example of the type of material inserted as the arrival of Cuban refugees on the U.S. mainland.

It added that the money allegedly from the USIA kept the whole newsreel operation—domestic and foreign—alive apparently for many years.

There was no immediate comment from the USIA, M-G-M or Hearst Metrotone News.